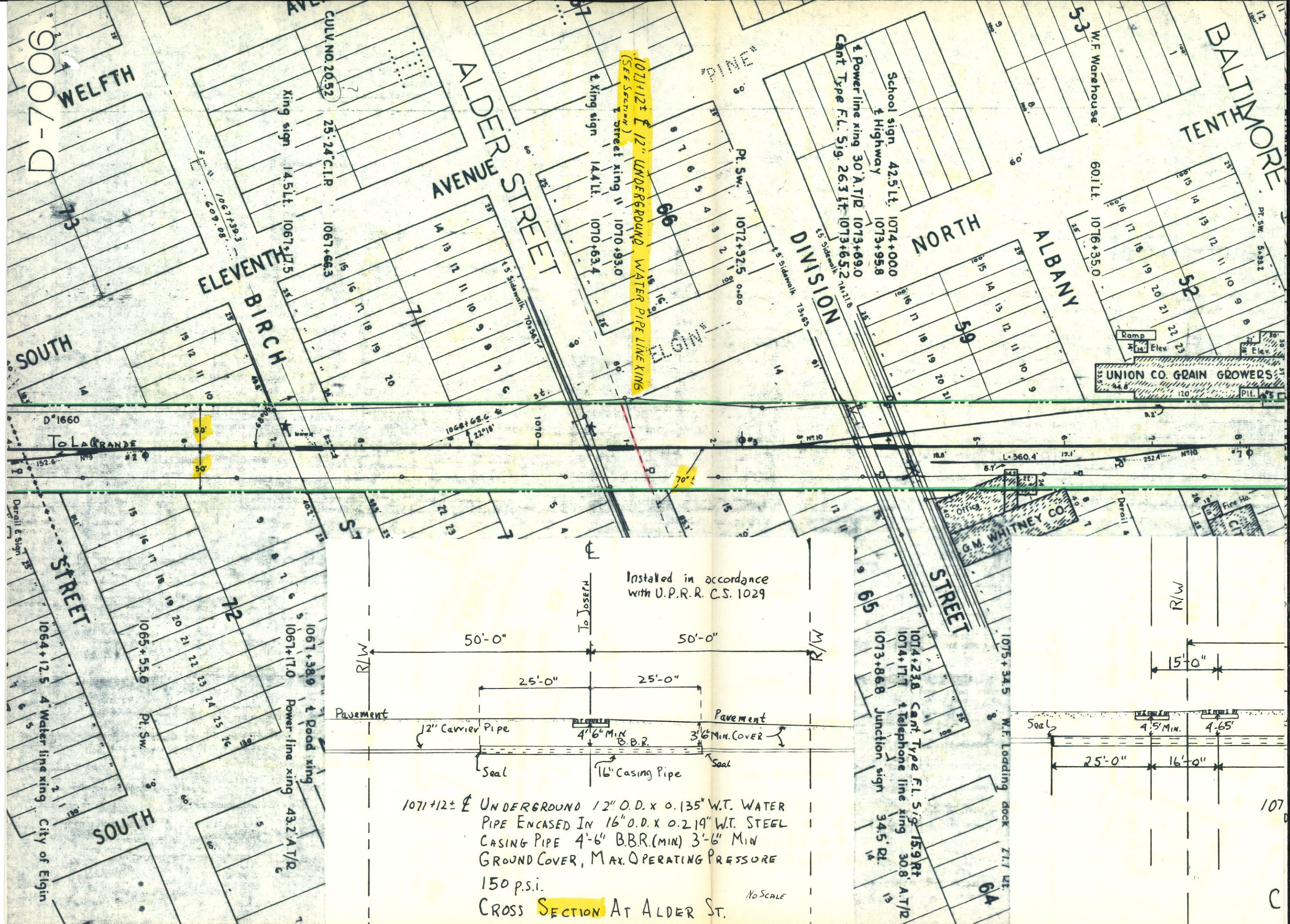
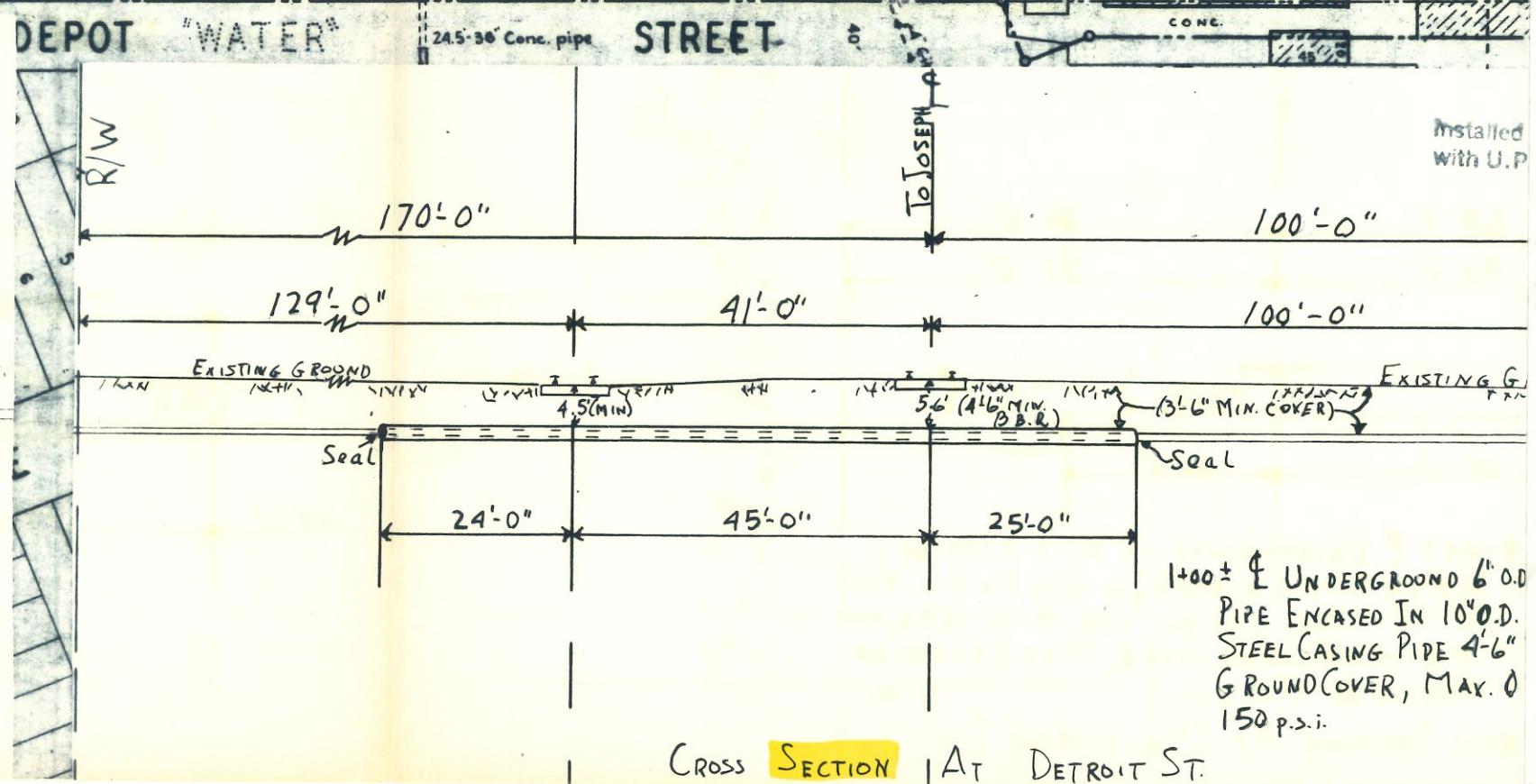
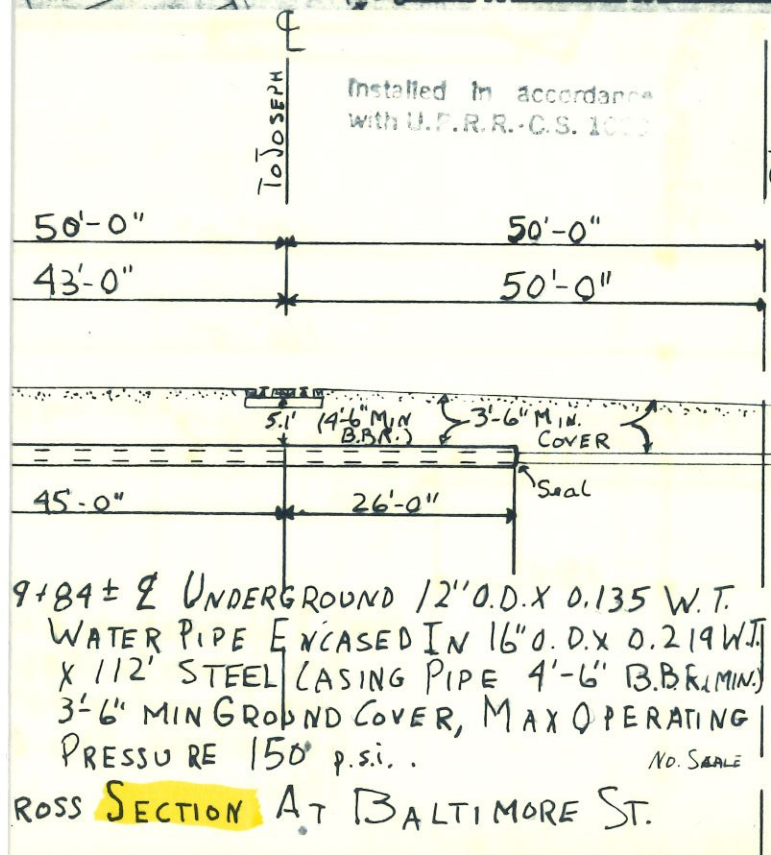
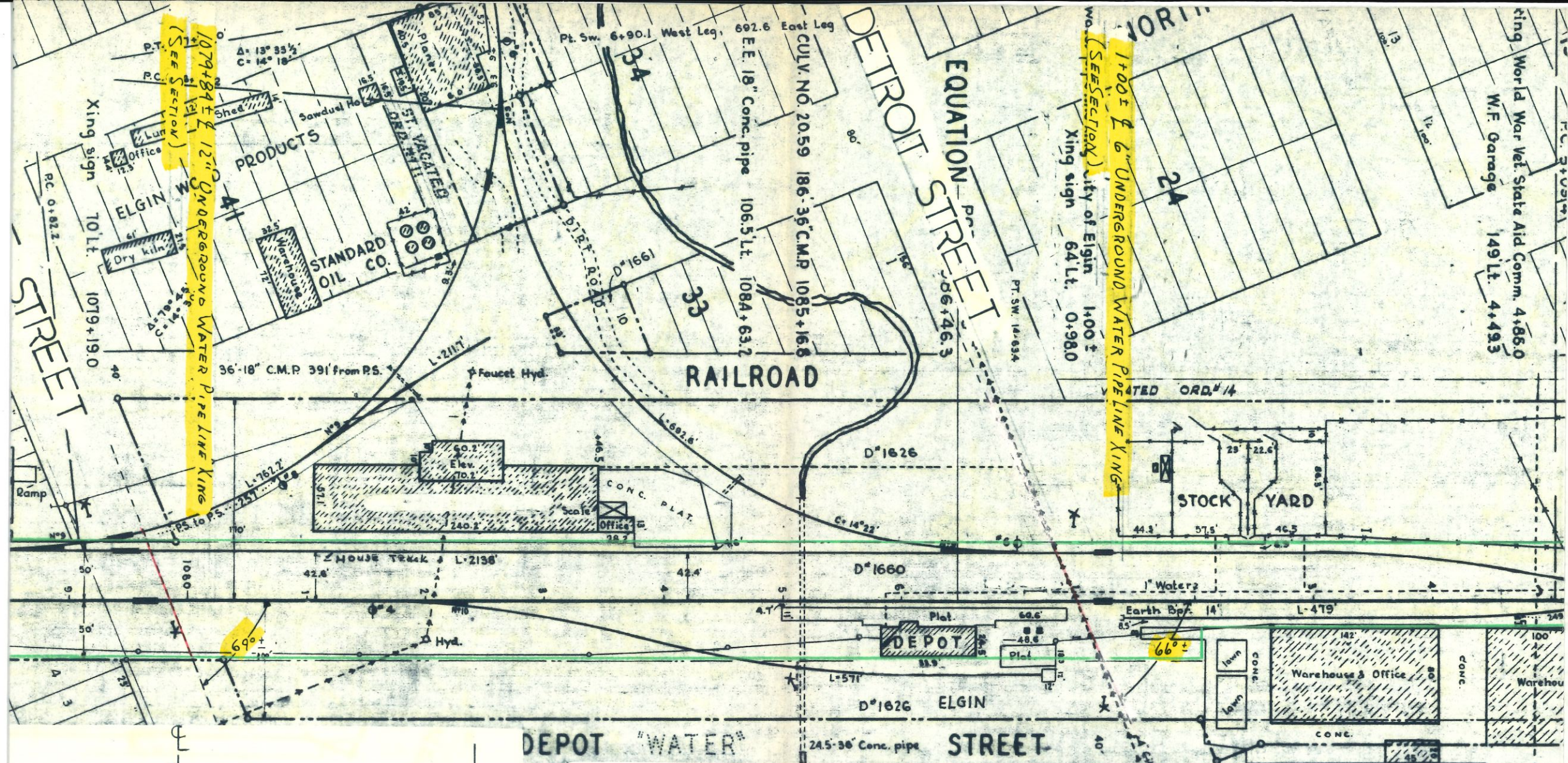
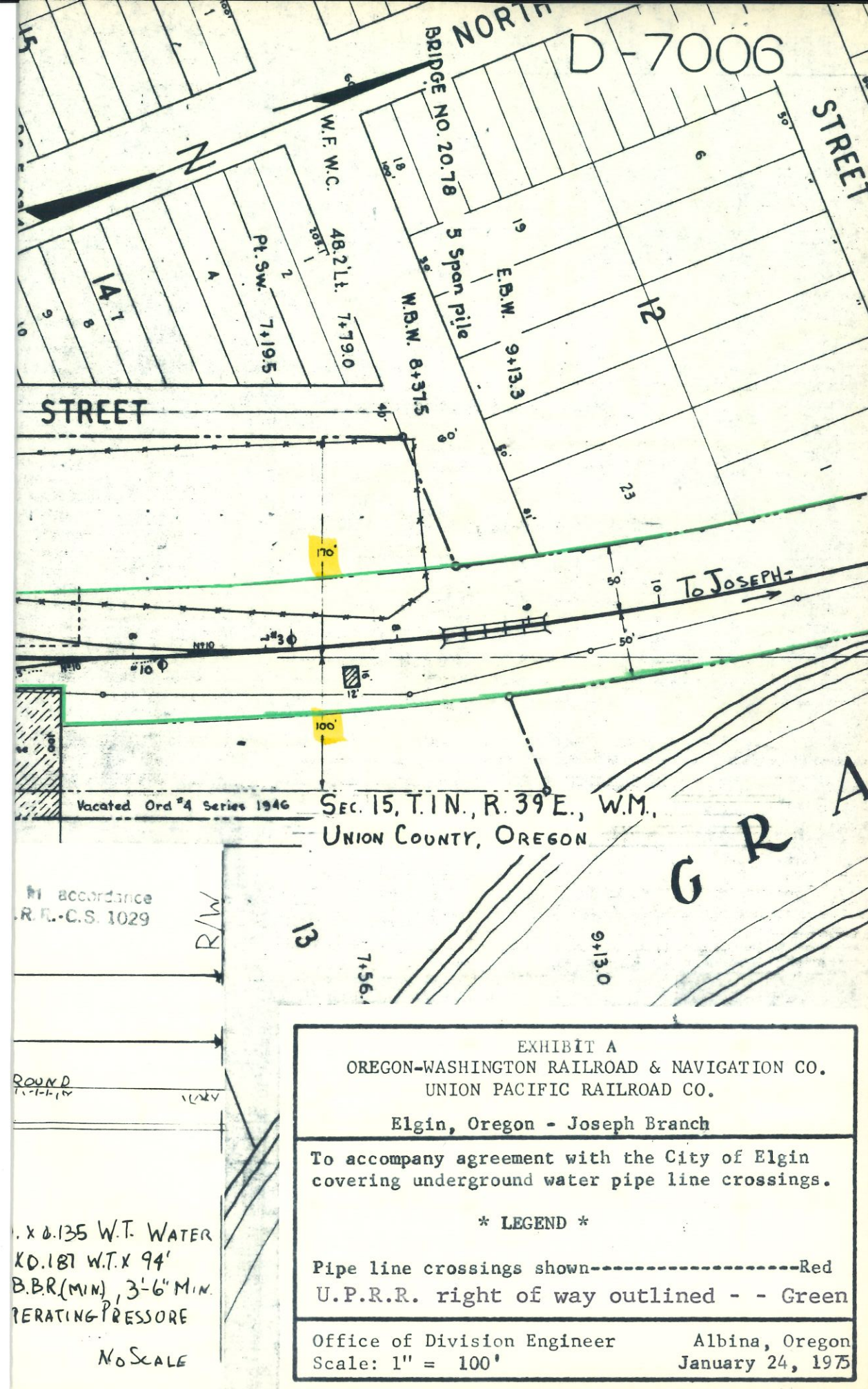








UNION PACIFIC RAILROAD COMPANY

REAL ESTATE DEPARTMENT

L. T. MONACO
DISTRICT REAL ESTATE MANAGER
(503) 288-8221



ROOM 600 PITTOCK BLOCK
P. O. BOX 4265
PORTLAND, OREGON 97208

31207

April 11, 1975

Anderson-Perry & Associates
P. O. Box 1301
La Grande, Oregon 97850

Attention: Mr. Howard Perry

Gentlemen:

In connection with phone conversation, attached hereto is City of Elgin's fully executed counterpart of license agreement covering underground water pipeline crossings at Elgin, Oregon, our Dept. No. 31207.

Yours very truly,

Original signed
L. T. MONACO

 cc: City of Elgin
Elgin, Oregon 97827

A conformed copy is attached for your files.

L.T.M.



31207

THIS AGREEMENT, made and entered into as of 11th day of February, 1975, by and between OREGON-WASHINGTON RAILROAD & NAVIGATION COMPANY, an Oregon corporation, and its lessee, UNION PACIFIC RAILROAD COMPANY, a Utah corporation (hereinafter collectively called "Licensor"), and CITY OF ELGIN, a municipal corporation of the State of Oregon (hereinafter called "Licensee").

RECITALS:

The Licensee desires to construct, maintain and operate one six (6) inch water pipe encased in ten (10) inch steel casing pipe and two twelve (12) inch water pipes, each encased in sixteen (16) inch steel casing pipe (hereinafter referred to collectively as "Pipeline") across the property and under the tracks of the Licensor on the Joseph Branch, Elgin, Union County, Oregon in the locations shown by red lines on print No. D-7006 dated January 24, 1975, attached hereto, marked Exhibit "A", and by this reference made a part hereof.

NOW, THEREFORE, it is mutually agreed by and between the parties hereto as follows:

Section 1. LICENSOR GRANTS RIGHT.

(a) In consideration of the covenants and agreements herein contained to be by the Licensee kept, observed and performed, the Licensor hereby grants to the Licensee, subject to the terms and conditions herein stated, the right to construct and thereafter, during the term hereof, to maintain and operate the Pipeline in the locations shown, and in conformity with the dimensions and specifications indicated, on Exhibit "A".

(b) The foregoing grant is subject to the right and power of the Licensor to construct, maintain, repair, renew, use, operate, change, modify or relocate railroad tracks, signal, communication or other wire lines, pipelines and other facilities upon, along or across any or all parts of the Licensor's property, all or any of which may be freely done at any time or times by the Licensor without liability to the Licensee or to any other party for compensation or damages.

(c) The foregoing grant is also subject to all outstanding superior rights (including those in favor of telegraph and telephone companies, lessees of said property, and others) and the right of the Licensor to renew and extend the same, and is made without covenant of title or for quiet enjoyment.

Section 2. CONSTRUCTION, MAINTENANCE AND OPERATION.

(a) The Pipeline shall be constructed, operated, maintained, repaired, renewed, modified and/or reconstructed by the Licensee in strict conformity with the Union Pacific Railroad Company's Common Standard Specification 1029 adopted November, 1949, and all amendments thereof and supplements thereto, which, by this reference, hereby is made a part hereof, except as may be modified and approved by the Chief Engineer. In the event said specification conflicts in any detail with the requirements of any Federal, state or municipal law or regulation, such requirements shall govern on all points of conflict, but in all other respects said specification shall apply. This agreement is made subject to all such laws or regulations.

(b) All work performed on said property in connection with the construction, maintenance, repair, renewal, modification or reconstruction of the Pipeline shall be done under the supervision of and to the satisfaction of the Licensor.

(c) Prior to the commencement of any work in connection with the construction, maintenance, repair, renewal, modification, relocation, reconstruction or removal of the Pipeline where it passes underneath the roadbed and track or tracks of the Licensor, the Licensee shall submit to the Licensor, plans setting out the method and manner of handling the work and shall not proceed with the work until such plans have been approved by the Chief Engineer of the Licensor, and then only under the supervision of said Chief Engineer or his authorized representative. Said plans shall show shoring and cribbing required to protect the Licensor's operations. The Licensor shall have the right, if it so elects, to provide such support, flagmen or other protection as it may deem necessary for the safety of its said track or tracks during the time of construction, maintenance, repair, renewal, modification, relocation, reconstruction or removal of the Pipeline; and in the event the Licensor provides such support, flagmen or other protection, the Licensee shall pay to the Licensor, within fifteen (15) days after bills have been rendered therefor, all expense incurred by the Licensor in connection therewith, which said expense shall include all assignable costs, plus ten per cent (10%) to cover elements of expense not capable of exact ascertainment.

(d) The Licensee shall keep and maintain the soil over the Pipeline thoroughly compacted and the grade even with the adjacent surface of the ground.

Section 3. NOTICE OF COMMENCEMENT OF WORK. The Licensee shall notify the Licensor at least forty-eight (48) hours in advance of the commencement of any work upon said right of way in connection with the construction, maintenance, repair, renewal, modification, reconstruction, relocation or removal of the Pipeline. All such work shall be prosecuted diligently to completion.

Section 4. LICENSEE TO BEAR ENTIRE EXPENSE. The Licensee shall bear the entire cost and expense incurred in connection with the construction, maintenance, repair and renewal and any and all modification, revision, relocation, removal or reconstruction of the Pipeline, including any and all expense which may be incurred by the Licensor in connection therewith for supervision or inspection, or otherwise.

Section 5. RELOCATION OR REMOVAL OF PIPELINE.

(a) The license herein granted is subject to the needs and requirements of the Licensor in the operation of its railroad and in the improvement and use of its property, and the Licensee shall, at the sole expense of the Licensee, move all or any portion of the Pipeline to such new location or (unless the Pipeline extends entirely across the property of the Licensor) remove the Pipeline from said property, as the Licensor may designate, whenever, in the furtherance of such needs and requirements, the Licensor shall find such action necessary or desirable.

(b) All the terms, conditions and stipulations herein expressed with reference to the Pipeline on said property in the location(s) hereinbefore described, shall, so far as the Pipeline remains on the property, apply to the Pipeline as modified, changed or relocated within the contemplation of this section.

Section 6. PIPELINE NOT TO INTERFERE WITH LICENSOR'S OPERATION. The Pipeline and all parts thereof within and outside of the limits of the right of way and premises of the Licensor shall be constructed and, at all times, maintained, repaired, renewed and operated in such manner as to cause no interference whatsoever with the constant, continuous and uninterrupted use of the tracks, property and facilities of the Licensor, and nothing shall be done or suffered to be done by the Licensee at any time that would in any manner impair the safety thereof.

Section 7. CLAIMS AND LIENS FOR LABOR AND MATERIAL AND TAXES.

(a) The Licensee shall fully pay for all materials joined or affixed to and labor performed upon said property of the Licensor in connection with the construction, maintenance, repair, renewal or reconstruction of the Pipeline, and shall not permit or suffer any mechanic's or materialman's lien of any kind or nature to be enforced against said property for any work done or materials furnished thereon at the instance or request or on behalf of the Licensee; and the Licensee shall indemnify and hold harmless the Licensor against and from any and all liens, claims, demands, costs and expenses of whatsoever nature in any way connected with or growing out of such work done, labor performed or materials furnished.

(b) The Licensee shall promptly pay or discharge all taxes, charges and assessments levied upon, in respect to, or on account of the Pipeline, to prevent the same from becoming a charge or lien upon said property, and so that the taxes, charges and assessments levied upon or in respect to said property of the Licensor shall not be increased because of the location, construction or maintenance of the Pipeline or any improvement, appliance or fixture connected therewith placed upon said property, or on account of the Licensee's interest therein. Where such tax, charge or assessment may not be separately made or assessed to the Licensee, but shall be included in the assessment of the property of the Licensor, then the Licensee shall pay to the Licensor an equitable proportion of such taxes determined by the value of the Licensee's property upon said property as compared with the entire value of said property.

Section 8. RESTORATION OF LICENSOR'S PROPERTY.

In the event the Licensee shall take down any fence of the Licensor or in any manner move or disturb any of the other property of the Licensor in connection with the construction, maintenance, repair, renewal, modification, reconstruction, relocation or removal of the Pipeline, then and in that event, the Licensee shall, as soon as possible and at the Licensee's sole expense, restore such fence and/or such other property to the same condition as it was in before such fence was taken down or such other property was moved or disturbed, and the Licensee shall indemnify and hold harmless the Licensor, its officers, agents and employees, against and from any and all liability, loss, damages, claims, demands, costs and expenses of whatsoever nature, including court costs and attorney's fees, which may result from injury to or death of persons whomsoever, or damage to or loss or destruction of property whatsoever, when such injury, death, damage, loss or destruction grows out of or arises from the taking down of any fence or the moving or disturbance of any other property of the Licensor.

Section 9. LIABILITY. The Licensee shall indemnify and hold harmless the Licensor, and other railroad companies which use the property of the Licensor, their officers, agents and employees, against and from any and all liability, loss, damage, claims, demands, costs and expenses of whatsoever nature, including court costs and attorney's fees, which may result from injury to or death of persons whomsoever, or against and from damage to or loss or destruction of property whatsoever (including damage to the roadbed, tracks, equipment or other property of the Licensor and such other railroad companies or property in their care or custody), when such injury, death, loss, destruction or damage grows out of or arises from the bursting of or leaks in the Pipeline, or in any other way whatsoever is due to, or arises because of, the existence of the Pipeline or the construction, operation, maintenance, repair, renewal, modification, reconstruction, relocation or removal of the Pipeline or any part thereof, or to the contents therein or therefrom; and the Licensee does hereby release the Licensor, its officers, agents and employees, from all liability for damages on account of injury to the Pipeline from any cause whatsoever.

Section 10. TERMINATION. This license may be revoked at any time by the Licensor or its successors or assigns, by the giving of thirty (30) days' notice in writing mailed to the Licensee at the address noted below the signature of the Licensee hereto; and should the Pipeline be permitted to be in bad order or condition for twenty-four (24) hours, then the Licensor may at once revoke this license without notice; and in the event of termination of this agreement howsoever, the Licensee shall be without recourse or redress of any character against the Licensor by reason thereof, nor shall such termination prejudice or impair any right of action for damages or otherwise that the Licensor may have against the Licensee.

Section 11. REMOVAL OF PIPELINE UPON TERMINATION OF AGREEMENT. Within ninety (90) days after the termination of this agreement howsoever, the Licensee shall, at the Licensee's sole expense, remove the Pipeline from those portions of said property not occupied by the roadbed and track or tracks of the Licensor and shall restore, to the satisfaction of the Licensor, said portions of said property to as good condition as they were in at the time of the construction of the Pipeline; and if the Licensee fails so to do, the Licensor may do such work of removal and restoration at the cost and expense of the Licensee. The Licensor may, at its option, upon such termination, at the entire cost and expense of the Licensee, remove the portions of the Pipeline located underneath said roadbed and track or tracks and restore said roadbed to as good condition as it was in at the time of the construction of the Pipeline, or it may permit the Licensee to do such work of removal and restoration under the supervision of the Licensor. In the event of the removal by the Licensor of the property of the Licensee and of the restoration of said roadbed and right of way as herein provided, the Licensor shall in no manner be liable to the Licensee for any damage sustained by the Licensee for or on account thereof, and such removal and restoration shall in no manner prejudice or impair any right of action for damages, or otherwise, that the Licensor may have against the Licensee.

Section 12. WAIVER OF BREACH. The waiver by the Licensor of the breach of any condition, covenant or agreement herein contained to be kept, observed and performed by the Licensee shall in no way impair the right of the Licensor to avail itself of any subsequent breach thereof.

Section 13. AGREEMENT NOT TO BE ASSIGNED. The Licensee shall not assign this agreement, in whole or in part, or any rights herein granted, without the written consent of the Licensor, and it is agreed that any transfer or assignment or attempted transfer or assignment of this agreement or any of the rights herein granted, whether voluntary, by operation of law, or otherwise, without such consent in writing, shall be absolutely void and, at the option of the Licensor, shall terminate this agreement.

Section 14. EFFECTIVE DATE; TERM. This agreement shall take effect as of the date first herein written, and shall continue in full force and effect until terminated as herein provided.

Section 15. LIABILITY INSURANCE.

(a) Before construction of said Pipeline is begun, the Licensee, without expense to the Licensor, shall require each of the Licensee's contractors to furnish and deliver to the Licensor, a public liability and property damage insurance policy or policies in favor of the Licensor; and the Licensee, without expense to the Licensor, at all times during the progress of and until final completion of the project, shall cause the Licensee's contractors to keep and maintain such policy or policies in full force and effect.

(b) Said public liability insurance shall provide for a maximum limit of not less than FIVE HUNDRED THOUSAND DOLLARS (\$500,000) for all damages arising out of bodily injuries to or death of one person, and, subject to that limit for each person, a total maximum limit of ONE MILLION DOLLARS (\$1,000,000) for all damages arising out of bodily injuries to or death of more than one person in any one occurrence. Said property damage insurance shall provide for a maximum limit of not less than FIVE HUNDRED THOUSAND DOLLARS (\$500,000) for all damages arising out of injury to or destruction of property in any one occurrence, and, subject to that limit, a total (or aggregate) maximum limit of ONE MILLION DOLLARS (\$1,000,000) for all damages arising out of injury to or destruction of property during the period of construction.

(c) The terms "person" or "persons" as herein used shall include employees of the Licensor, as well as other persons, and the term "property" as herein used shall include, as well as other property, property owned by and property in the care, custody or control of the Licensor.

(d) Each such insurance policy shall be issued by a reliable insurer satisfactory to the Licensor and authorized to do business in the state in which the Pipeline is located, and each such policy shall be in form and substance satisfactory to the Licensor. The original and one true and complete copy of said policy or policies shall be delivered to and remain in the possession of the Licensor.

(e) Exhibit "B", attached hereto and by this reference made a part hereof, is a suggested form of endorsement to an existing policy or policies of public liability and property damage insurance.

Section 16. SUCCESSORS AND ASSIGNS. Subject to the provisions of Section 13 hereof, this agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

Section 17. TERMINATION OF PRIOR AGREEMENT. The six-inch pipeline which is to be located in the Detroit Street areas will replace an existing four-inch pipeline, which was covered by agreements between the parties hereto, dated October 12, 1949, bearing Licensor's Dept. No. 21508, Audit No. 72400. Therefore, it is understood and agreed that agreement dated October 12, 1949, from the Licensor herein to City of Elgin, a municipal corporation of the State of Oregon, bearing Licensor's Dept. No. 21508, Audit No. 72400, is terminated as of the effective date hereof, provided, however, that such termination shall not affect any rights or obligations of the parties to said license which may have accrued, or liabilities, accrued or otherwise, which may have arisen prior to such termination.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed as of the date first herein written.

OREGON-WASHINGTON RAILROAD &
NAVIGATION COMPANY
UNION PACIFIC RAILROAD COMPANY

By /s/ T. P. Rogers
General Manager

CITY OF ELGIN

Attest

/s/ Ronald D. Scoubes
Clerk

By /s/ Warner L. Stein
Mayor

RESOLUTION

An agreement dated February 11, 1975, between OREGON-WASHINGTON RAILROAD & NAVIGATION COMPANY and UNION PACIFIC RAILROAD COMPANY, corporations (collectively called "Licensor") and CITY OF ELGIN, a municipal corporation of the State of Oregon (hereinafter called "Licensee"), covering one six (6) inch water pipe encased in ten (10) inch steel casing pipe and two twelve (12) inch water pipes, each encased in sixteen (16) inch steel casing pipe located at Elgin, Union County, Oregon.

WHEREAS, CITY OF ELGIN has had the above proposed agreement before it before a regular and duly called meeting of the City Council, which has given the agreement careful review and consideration; and

WHEREAS, it is considered that the best interests of said CITY OF ELGIN will be subserved by the acceptance of said agreement;

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ELGIN

That the terms of the agreement submitted by OREGON-WASHINGTON RAILROAD & NAVIGATION COMPANY, and its lessee, UNION PACIFIC RAILROAD COMPANY, as aforesaid be and the same are hereby accepted on behalf of said CITY OF ELGIN;

That the Mayor of CITY OF ELGIN is hereby authorized, empowered and directed to execute said agreement on behalf of said CITY OF ELGIN, and that the Clerk hereby is authorized and directed to attest said agreement and to attach to each duplicate original of said agreement a certified copy of this resolution.

/s/ Warner L. Stein

STATE OF OREGON)
) ss
County of Union)

Ronald D. Scoubes

I, _____, Clerk of CITY OF ELGIN, hereby certify that the above and foregoing is a true, full and correct copy of a resolution adopted by the City Council of CITY OF ELGIN, at a meeting held on the _____ day of _____, 19____.

/s/ Ronald D. Scoubes

Clerk

EXHIBIT B

SPECIAL ENDORSEMENT

In consideration of the premium charged for the policy or policies to which this endorsement is attached, it is understood and agreed that the OREGON-WASHINGTON RAILROAD & NAVIGATION COMPANY, an Oregon corporation, and its lessee, UNION PACIFIC RAILROAD COMPANY, a Utah corporation (hereinafter collectively called "Licensor"), are additional Insureds, but only as respects any and all liability, damages, recoveries, judgments, costs, expenses, charges and demands, on account of injuries to or death of persons whomsoever (including without limitation the Licensor's agents, servants and employees) or loss or destruction of or damage to property whatsoever (including without limitation property owned, leased, occupied or used by or in the care, custody and control of the Licensor or any employee of the Licensor) resulting from the construction of a Pipeline across the right of way and under the tracks of the Licensor on Licensor's Joseph Branch, Elgin, Union County, Oregon, as more particularly described in agreement dated February 11, 1975, by and between the Licensor and CITY OF ELGIN, a municipal corporation of the State of Oregon, whether caused or contributed to by the negligence of the Licensor, the Licensor's agents, servants and employees, or otherwise. The Insurance Company agrees to appear and defend, in the name of the Licensor, any suit or action at law brought against the Licensor on account of any such personal injuries or death, or loss or destruction of or damage to property, and to pay and satisfy any final judgment that may be rendered against the Licensor in any such suit or action at law.

Any and all exclusions and provisions of the policy or policies to which this endorsement is attached which are inconsistent with the coverage specified in this endorsement shall be and are hereby superseded.

The coverage under the policy to which this endorsement is attached is primary and exclusive of any carried by the Licensor, and shall be exhausted first, notwithstanding the fact that the Licensor may have other valid and collectible insurance covering the same risk.

The policy to which this endorsement is attached shall not be cancelled, altered, terminated or amended by the Insurance Company or its agent or agents unless the Licensor is given at least thirty (30) days' written notice of intent to cancel or terminate such policy.

Date

(Name of Insurance Agency)Endorsement No.

(Insurance Company)

(Countersignature of Authorized Agent)

(Policy Number)